

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Investigation into the ratemaking implications for Pacific Gas and Electric Company (PG&E) pursuant to the Commission's Alternative Plan for Reorganization under Chapter 11 of the Bankruptcy Code for PG&E, in the United States Bankruptcy Court, Northern District of California, San Francisco Division, In re Pacific Gas and Electric Company, Case No. 01-30923 DM.

Investigation 02-04-026  
(Filed April 22, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REOPENING AND RESUBMITTING RECORD**

On August 2, 2002, Pacific Gas and Electric Company (respondent) filed a copy of its Plan of Reorganization (POR) and Disclosure Statement with the Commission. (See Rulings dated July 23, 2003, and August 19, 2003.) Respondent's POR is proposed pursuant to Chapter 11 of the Bankruptcy Code (filed in United States Bankruptcy Court, Northern District of California, San Francisco Division in re Pacific Gas and Electric Company, Case No. 01-30923 DM).

After evidentiary hearing held February 4, 2003, this proceeding was submitted for decision upon receipt of reply briefs on February 21, 2003. (Reporter's Transcript, page 109.) Further events, however, require reopening the record for additional information.

On February 24, 2003, respondent filed a modified POR with the Bankruptcy Court entitled “Modifications Dated February 24, 2003 to the Plan Of Reorganization Under Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Dated April 19, 2002 Filed by Pacific Gas and Electric Company and PG&E Corporation” (hereafter respondent’s February 24, 2003 Modified POR). On February 28, 2003, respondent filed a copy of its February 24, 2003 Modified POR with the Commission, and served a copy on President Peevey and Administrative Law Judge Mattson. Respondent provided parties with notice of its availability by serving a copy of the transmittal letter on the service list.

Respondent should similarly file and serve other relevant document(s), if any, related to its February 24, 2003 Modified POR (e.g., modified Disclosure Statement). The record should be reopened to receive respondent’s February 24, 2003 Modified POR and related document(s), if any.<sup>1</sup>

Further, respondent should clarify the amount of cash on hand assumed by respondent for the purpose of funding its February 24, 2003 Modified POR. For example, the Third Amended POR filed jointly by the Commission and the Official Committee of Unsecured Creditors (OCC) assumes cash on hand of \$3.4 billion through January 31, 2003. (Reporter’s Transcript, Volume 1, page 76; Exhibit 6, Attachment B, page 3.) The record should be clear as to the amount of cash on hand assumed by respondent to be available to fund respondent’s February 24, 2003 Modified POR, and whether revenues above costs beyond any

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<sup>1</sup> The record includes all filed and served documents and all evidence received at hearing. (Scoping Memo and Ruling dated July 17, 2002, Ordering Paragraph 5.)

specific date are or are not necessary to fund respondent's February 24, 2003 Modified POR.

Energy Division (ED) and parties (including respondent) should have an opportunity to address the effects, if any, of respondent's February 24, 2003 Modified POR. These effects include, but are not limited to, the ratemaking implications of respondent's February 24, 2003 Modified POR, the resulting costs to ratepayers, whether or not the costs and/or rates resulting from respondent's February 24, 2003 Modified POR would be just and reasonable, the savings in cost of the joint Commission/OCC Third Amended POR compared to respondent's February 24, 2003 Modified POR, and any other matters that need to be considered or decided by the Commission in this proceeding regarding the effects of respondent's February 24, 2003 Modified POR and the joint Commission/OCC Third Amended POR. ED should address these effects through a Fourth Amended Declaration. Parties should have an opportunity to comment, and the proceeding should be resubmitted.

**IT IS RULED** that:

1. On February 24, 2003, Pacific Gas and Electric Company (respondent) filed a modified Plan of Reorganization (POR) with the United States Bankruptcy Court, Northern District of California, San Francisco Division in re Pacific Gas and Electric Company, Case No. 01-30923 DM (hereafter respondent's February 24, 2003 Modified POR). On February 28, 2003, respondent filed one paper copy of its February 24, 2003 Modified POR with the Commission in this proceeding, served paper copies on President Peevey and Administrative Law Judge (ALJ) Mattson, and provided notice to parties by serving a copy of the transmittal letter. By the date in the amended schedule adopted below, respondent shall file with the Commission in this proceeding one paper copy of

other relevant document(s), if any, related to its February 24, 2003 Modified POR (e.g., modified Disclosure Statement). Respondent shall also serve one paper copy each on President Peevey and ALJ Mattson, and an electronic copy by electronic mail on ALJ Mattson. Respondent shall also on the same date serve a notice of availability on the service list.

2. Within three days of a written request from any party, respondent shall serve one paper copy of respondent's February 24, 2003 Modified POR and related document(s) on each party who requests a paper copy.

3. Respondent shall file with the Commission one paper copy of each and every future modified or amended POR and related or relevant document(s) on the same day such modified or amended POR and related or relevant document(s) are filed with the Bankruptcy Court. Respondent shall at the same time serve one paper copy each on President Peevey and ALJ Mattson such that they are delivered to the Office of the President and the ALJ Division on the same day as they are served. Respondent shall also serve an electronic copy by electronic mail on ALJ Mattson. Respondent shall on the same date also serve a notice of availability on the service list.

4. Respondent shall serve one paper copy of each and every future modified or amended POR and related or relevant document(s) on the same day such modified or amended POR and related or relevant document(s) are filed with the Bankruptcy Court on each party in this proceeding who makes a written request for such service.

5. By the date in the amended schedule, respondent shall file and serve a document which states the amount of cash on hand respondent assumes is available and used to fund its February 24, 2003 Modified POR, and the date, if

any, beyond which further cash on hand is unnecessary to fund respondent's February 24, 2003 Modified POR.

6. Energy Division (ED) shall file and serve by the date in the amended schedule a Fourth Amended Declaration. The Fourth Amended Declaration shall address the items stated in the body of this Ruling.

7. Parties, including respondent, may file and serve comments on the ratemaking effects of respondent's February 24, 2003 Modified POR and ED's Fourth Amended Declaration. Comments, if any, shall be filed and served by the date in the amended schedule.

8. Absent written objection, respondent's February 24, 2003 Modified POR and related document(s), respondent's cash on hand document, ED's Fourth Amended Declaration, and parties' comments shall be received and made part of this record, and the proceeding shall be resubmitted for decision without further ruling, on the date objections are otherwise due to be filed. Objections, if any, shall be filed and served by the date in the amended schedule. If objection is filed to receipt in the record of any document, a response may be filed, and shall be filed and served by the date in the amended schedule, with a ruling subsequently issued on the objection and date of resubmission. Each document for which no objection is filed to its receipt in the record shall be received and made part of the record on the date an objection is otherwise due.

8. The amended schedule is:

<b>DATE</b>	<b>EVENT</b>
February 28, 2003	Respondent filed and served its February 24, 2003 Modified POR
March 6	Ruling reopening proceeding
March 10	Respondent files and serves any relevant document(s) related to its February 24, 2003 Modified POR
March 10	Respondent files and serves document which clarifies the amount of cash on hand used to fund its February 24, 2003 Modified POR
March 19	ED files and serves Fourth Amended Declaration
March 21	Parties file and serve comments on ratemaking effects of respondent's February 24, 2003 Modified POR and ED's Fourth Amended Declaration
March 25	Objection filed and served on receipt in record of respondent's February 24, 2003 Modified POR, other related document(s), respondent's cash on hand document, ED Fourth Amended Declaration, parties' comments
March 25	Resubmission (if no objection filed)
March 26	Responses to objection (if objection is filed)
To be determined	Ruling on objection and resubmission (if objection filed)

Dated March 6, 2003, at San Francisco, California.

/s/ BURTON W. MATTSON

Burton W. Mattson  
Presiding Officer  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail on those with electronic mail addresses, this day served a true copy of the original attached Administrative Law Judge's Ruling Reopening and Resubmitting Record on all parties of record in this proceeding or their attorneys of record.

Dated March 6, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.